



**ARIZONA STATE SENATE**  
***Fifty-Fifth Legislature, First Regular Session***

**FACT SHEET FOR S.B. 1803**

unemployment insurance; notification; benefits

Purpose

Prescribes timeframes within which the Department of Economic Security (DES) must notify an unemployment insurance (UI) benefits claimant of eligibility or suspected fraud and deems an application approved if DES does not notify the claimant.

Background

The federally-established UI Benefit Program, administered by DES according to state law, provides unemployment benefits to persons unemployed through no fault of their own. Benefit payments are paid from Arizona's Unemployment Insurance Trust Fund which is funded by a tax paid employers ([A.R.S. Title 23, Chapter 4](#)). DES also administers the federally-funded Pandemic Unemployment Assistance, Pandemic Emergency Unemployment Compensation and Federal Pandemic Unemployment Compensation Programs ([P.L. 116-159, 116th Congress, 2020](#)).

A DES representative must promptly examine a UI benefits claim to determine claim validity and promptly notify the claimant of the determination. Statute prescribes eligibility requirements relating to the reason the individual was separated from employment, wages earned prior to unemployment and the individual's availability and work search activities. During the first of four of the last five calendar quarters completed before unemployment (base period) the individual's earned wages must have been either: 1) at least 390 times the minimum wage in the highest quarter, with total base period wages equal to at least one and one-half times their highest quarter wages; or 2) earned in at least two quarters with at least \$5,988 in the highest quarter, to qualify the individual for the maximum weekly benefit amount, and total base period earnings of \$7,000. Subject to a cap of \$240, an eligible individual's weekly benefit payment is equal to one twenty-fifth of their highest quarter earnings (A.R.S. §§ [23-771](#); [23-773](#); and [23-779](#)).

A person who knowingly makes a false statement or representation or fails to disclose a material fact to obtain or increase a UI benefit is guilty of a class 6 felony. A person who has made a fraudulent statement, representation or omission in the two years before filing a valid claim is disqualified from receiving benefits for no more than 52 weeks from filing the valid claim, at DES's discretion. If a person receives benefits through commission of fraud, the person is liable for repayment and a penalty of 15 percent of the fraudulent amount (A.R.S. §§ [23-778](#); [23-785](#); and [23-787](#)).

There is no anticipated fiscal impact to the state General Fund associated with this legislation.

Provisions

1. Requires DES to notify a UI claimant of benefit eligibility within 21 days after the claimant files an application.

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2. Deems a claimant's application approved if DES does not notify the claimant within 21 days.
3. Requires DES to notify a claimant whose application is flagged for or suspected of fraud within 10 days.
4. Becomes effective on the general effective date.

Prepared by Senate Research

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